

## MEMORANDUM

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**DATE:** May 10, 2006  
**FILE:** 0540-20  
**TO:** City Manager  
**FROM:** Social Planning & Housing Committee  
**SUBJECT:** Housing Policy Recommendations to City Council

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### **RECOMMENDATION:**

THAT City's Affordable and Special Needs Housing Task Force be instructed to review all options for achieving a minimum affordable housing target of 300 affordable dwellings per year and report back to Council with a recommended action plan.

### **REPORT:**

#### THE ISSUE:

The benchmark of affordability for housing is that households should not be devoting more than 30% of the total income before tax on shelter. In 2001 (latest Census information), 28% of Kelowna households paid more than 30% for housing. During the same year, Toronto at 26% of households and Vancouver at 27% of households were the only other cities in Canada that approach Kelowna's high level of affordability need. Approximately 9,400 households within that 28% had a gross family income of less than \$40,000.00. 4,785 of those families were paying half or more of their gross income on housing. This statement is not limited to the visible sector of the population that is receiving government assistance. While the latter is still an important segment of the need, the far greater issue is lower income working families and individuals.

In Kelowna, the median actual sale price<sup>1</sup> of a single detached home increased from \$178,500 in 2001 to \$314,146 in 2005, a 76% increase; a stratified dwelling unit increased from a \$120,000 median sale price level in 2001 to \$202,000 in 2005, a 68% increase; based on the annual sales analysis conducted by the City using actual sales information from the BC Assessment records for Kelowna<sup>2</sup>. In the same time frame, average weekly wage rates for BC increased from \$648.19 to \$704.49<sup>3</sup>, an increase of 8.7%. The comparison between increases in sales value of homes and income levels is clearly inequitable.

The numbers tell us that in comparison to the majority of cities in Canada, Kelowna had a serious housing affordability issue in 2001 (this is the most recent Census information). Based on our policy direction, comparing about 11,000 **low income** households in the year 2001

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<sup>1</sup> Based on the City's annual sales analysis using BC Assessment information.

<sup>2</sup> For details, see the sales analysis information in the City's Housing Resources Handbook:  
[www.kelowna.ca](http://www.kelowna.ca) Residents → Community Development & Real Estate → Community Planning

<sup>3</sup> <http://www.bcstats.gov.bc.ca/data/lss/empern/eet21.pdf>

(5,000 families & 6,000 single people), paying more than 30% of their income on shelter, to a total supply of 2,364 (750 for families, 1365 for seniors, & 349 for adult singles) subsidized housing units or spaces in the city, ***there is a present shortfall of about 8,630 dwellings*** for these low income households. Within the 11,000 households, about 750 families and 2,000 singles receive shelter assistance, a minority of 2,750 of the 11,000. The rest are supported by employment or retirement income. The situation is even bleaker now. If 30% of new households continue to experience affordability challenges, ***we will need to build an additional 5,000 affordable units between now and 2020.***

See Appendix 1 for further details on Kelowna's housing affordability issue.

#### CITY OF KELOWNA ACTION:

Policy direction and corresponding action taken by the City towards affordable housing is provided in Appendix 4:

The City of Kelowna has consistently tried to encourage the provision of affordable housing since the 1970's. Secondary suites, carriage homes, "S" zones, small lot zoning, density bonusing, housing agreements, housing reserve fund, density gradient approach to calculating DCC's, City-owned land, grants from Housing Reserve Fund and waiving DCC's for non-profit rental housing have all been implemented by Council. All of these measures follow best practices identified by Provincial and Federal governments as measures that local government can take to help generate affordable housing. However, few affordable dwelling units have actually been generated as a direct result of these measures and the need for affordable housing continues to grow at an alarming rate in the City of Kelowna.

In 2005, the Social Planning & Housing Committee made a series of recommendations to City Council identifying the need for the general taxpayer to address some responsibility for the existing affordable housing need within the City. Council accepted those recommendations and in the 2006 Financial Plan, implemented a waiver of DCC's for non-profit rental housing and placed a line item in the Financial Plan for \$100,000.00 to the Housing Opportunity Reserve Fund from the general taxpayer. This amount will grow to \$150,000.00 in 2007 and then \$200,000.00 in 2008.

These two actions by Council have provided an annual source of funding from the general taxpayer that will result in partnerships with other levels of government and the not-for-profit sector to create affordable housing. In particular, these partnerships will help to address the much needed affordable rental market. The original direction that the City initiated in 2001 is to use City-owned land and acquire land to help generate affordable housing and this is also a direct cost to all taxpayers.

See Appendix 2 for further details on Kelowna's actions to achieve adequate levels of affordable housing.

#### CORE-NEEDS HOUSING:

Core needs housing refers to housing for families and individuals who are at or below Low Income Cut-Offs Levels established by Statistics Canada. Although those on a disability allowance, or otherwise unable to work, are included within these numbers, the vast majority of core needs households actually derive their income from employment. The provision of core needs housing, will continue to be achieved only when there is participation by senior levels of government and/or not-for-profit housing providers. The City of Kelowna Housing Opportunity Reserve Fund and City land can be used to partner in the development of core-needs housing when these opportunities arise. Research at the national level<sup>4</sup> shows that capital subsidies of

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<sup>4</sup> See <http://www.fcm.ca/english/documents/afford.html>  
<http://www.fcm.ca/english/documents/housing.pdf>

about \$75,000 per dwelling are needed to create dwellings that low income people can afford to live in.

#### **THE GROWING KELOWNA AFFORDABLE HOUSING CRISIS:**

The City of Kelowna has reached the point where the lack of shelter within the financial reach of large numbers of our citizens is affecting the economic health of the entire community. A growing segment of our working population is unable to find housing that allows an acceptable quality of life without experiencing hardship in affording other family necessities such as food, clothing and health care. These individuals and families are simply unable to stay in Kelowna and the City needs these working individuals to support our tourism, construction, retail, health and service sector industries. If the city of Kelowna cannot offer realistic housing opportunities for its labour force, the economic health of the entire community will suffer.

#### **MUNICIPAL RESPONSES:**

We are not alone in this situation. Many Canadian cities are facing similar situations around the need for affordable housing. Lobbying and action initiated by municipalities is happening on a national level.

The City of Kelowna has done almost everything it can within its authority to encourage the private sector to develop affordable housing. Even at the upper end of affordable housing, few affordable dwellings have been achieved and in recent years, none of these have been in the critical affordable rent area.

Research has shown that local governments across North America have only succeeded in generating truly affordable housing at any significant level once the requirement becomes a mandatory part of the development process. The provision of incentives is not enough.

The City of Vancouver has established an affordable housing agency which manages housing that is either provided by the private sector as a requirement of development or acquired from cash-in-lieu contributions towards affordable housing on new development.

The Resort Municipality of Whistler has enacted a bylaw to impose charges for employee housing services. The bylaw sets out a formula for calculating the number of employees that will be required for all new development and establishes a charge of \$5,578.00 per new employee. The developer either constructs the required employee housing or pays the cash-in-lieu amount. Another common strategy adopted by municipalities that are actively imposing requirements for the provision of affordable housing is the creation of a housing authority to implement and manage affordable housing requirements. For details on the Whistler example, visit the Whistler Housing Authority web site at <http://www.whistlerhousing.ca/>.

See Appendix 3 for further details on the national efforts towards achieving affordable housing.

#### **NEXT STEPS:**

The City of Kelowna has recognized the need for affordable housing, both as an issue that exists within our community today and as an issue that is growing as a result of growth in the community.

Due to the existing shortfall of over 8,000 affordable dwellings for low income households, coupled with the forecasted need for an additional 5,000 dwellings for low income households by the year 2020, the responsibility for addressing this urgent situation at the municipal level lies with the current taxpayers in the community as well as new development and growth.

Council has recognized the responsibility of the entire community for the existing affordable housing shortfall by placing an annual charge against the general tax levy to fund both core-

needs housing through DCC waivers and to provide annual funding to the Housing Opportunities Reserve Fund.

All efforts to encourage the private sector to develop affordable housing have largely failed.

It is now time for the City of Kelowna to determine an equitable way for the entire community and the development sector to share in the responsibility for addressing affordable housing needs in the City.

The Social Planning & Housing Committee has determined that an annual target of 300 affordable units, with one quarter of these meeting core need / low income requirements, should be set, and all feasible measures should be examined to reach this target. Even with this commitment at the local level, senior government funding and all private and non-profit partners will need to come to the table. It is hoped that the City's efforts will enable these partnerships.

In order to meet this target, about \$3,150,000 annually should be invested by the City. With a housing reserve fund sitting at about \$500,000, we need clear measures to augment the funds we have available to acquire and use land, as well as give grants to encourage the generation of affordable housing. Council has made the commitment to allocate \$200,000 annually as of 2008 to the housing reserve fund. However, from taxation, an annual total charge of \$65.63 per tax account, based on 48,000 tax accounts, would be necessary to generate the \$3,150,000 figure. The other option is to explore additional measures for new growth in the City to contribute to new affordable housing. A combination of both will be necessary.

New commercial and industrial developments that do not offer full-time employment and/or simply pay low wages add to the affordable housing problem and should be required to contribute towards its solution. Both single-family and multi-family residential developers understandably focus their efforts on those sections of the market that offer the quickest and most profitable return on their investment. None of the incentives the City has offered to date have encouraged these developers to make any significant contribution towards providing new affordable housing.

An obvious point in the development process for assigning responsibility to all new development would be at the building permit stage. This could be done by determining the level of responsibility, such as Whistler has done, or by levying an across-the-board charge on the construction value of all building permits.

The last 5 year average value of annual building permits in the City of Kelowna was \$315 Million. A 1% of value charge on each permit would yield \$3,150,000.00 per year. An exemption to the charge could be allowed for all residential units that meet the City's criteria for affordability. Housing agreements at the time of subdivision could exempt certain residential lots from all or some portion of the affordable housing charge payable at the building permit stage. In addition, developers could be allowed the opportunity to bond for their affordable housing requirements at the building permit stage and then find appropriate partners to build affordable housing developments that would satisfy their bonding requirements. It should be possible for numerous developers to partner on the same affordable housing project to satisfy all of their bonding requirements. The 1% charge on typical building construction is provided in the following table, in comparison to the current building permit fees.

<b>Type of Building</b>	<b>Value of Construction</b>	<b>Building Permit Fee</b>	<b>1% Charge for Affordable Housing</b>	<b>Charge/sq.ft.</b>
\$400,000 Single Detached House- 2 storey 3,000 sq. ft.	\$400,000	\$2,986	\$4,000	\$1.33
\$400,000 Single Detached House 2,300 sq. ft. rancher	\$400,000	\$2,986	\$4,000	\$1.74
\$20,000 Home Improvement or Accessory Building	\$20,000	\$215	\$200	+or- \$1
Apartment Building – Low Rise	\$30,000,000 (155,440 sq. ft.)	\$188,061	\$300,000	\$1.93
Apartment Building – High Rise	\$30,000,000 (119,047 sq. ft.)	\$188,061	\$300,000	\$2.52
Commercial Building: Approximately 100,000 Sq Ft @ \$100/sq ft	\$10,000,000	\$63,186	\$100,000	\$1
Industrial Building: Approximately 100,000 sq. ft. @ \$100/sq ft	\$10,000,000	\$63,186	\$100,000	\$1

The above two options of increasing annual general taxation to the tune of \$65 per tax account, or charging a 1% fee on building permits to generate \$3,150,000 per year needed to help generate 300 affordable housing units a year, represent the extremes of pursuing one option over another. All options must be explored

It is recommended that Council direct the Affordable and Special Needs Housing Task Force, the Social Planning & Housing Committee, and City staff, as well as all stakeholders to explore options of how our community and new development could best share in addressing affordable housing to reach an annual target of 300 additional affordable units, and report back to Council with recommendations on how to implement this responsibility no later than January 2007.

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Michael Loewen, Chair  
Social Planning & Housing Committee

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## APPENDIX 1

Of course, this must be measured against income levels. There is a huge need for affordable housing in Kelowna, in particular for our low income population. This statement is not limited to the visible sector of the population that is receiving government assistance. While the latter is still an important segment of the need, the far greater issue is lower income working families and individuals. The chart on the next page provides a description of the numbers of households devoting 30% or more of their total income before tax on shelter. Below that, there is a subset which shows those households spending half or more of their income on shelter, by income level.

Within these numbers we know that about 750 Kelowna families were receiving BC shelter assistance and 2,125 single people, mostly those with disabilities, were also receiving shelter assistance. Above \$40,000 annual gross income at 2001 levels, the proportions of households devoting more than 30% of their gross income on shelter dwindle compared to the needs in the low income population. The numbers come from a special run of the 2001 Census of income levels against shelter expenditure. The pie charts on the next page provide a clear representation of the preceding description.

While income levels have likely increased since the 2001 Census, it is certain that they have not kept pace with the escalating costs of housing. The number of households demonstrating shelter affordability issues has undoubtedly grown since 2001; however the results of the 2006 Census will not be available for at least a year or so. Households that qualify as low income based on incomes at the Low Income Cut-off Level<sup>5</sup> or below have grown between the 1996 Census and the 2001 Census as follows:

1996 – estimated 10,120 low income households; 5840 single adults; 4280 low income families;

2001 – estimated 10,991 households qualified as low income; 6,252 were single adults; 4,739 families (8.6% increase)

Median home prices for single detached dwellings, based on the City's annual survey of all home sales (re-sales and new homes), increased from \$180,000 in 2000 to \$269,000 in 2004<sup>6</sup>. In the last five years the City has also seen a squeeze in the supply of rental housing. Vacancy rates hit an alarming low of 0.6% in 2005, based on the 2005 CMHC Rental Market Survey. Supply of subsidized housing, intended to reach the low income households is good for a BC municipality, but still nowhere matches the need and increases very modestly, based on the availability of senior government funding. People who are not receiving income assistance or do not live in subsidized housing continue to struggle to meet their basic needs. Supply of subsidized housing in Kelowna is summarized below:

1998 - 620 subsidized family housing units; 1,474 subsidized units or beds for singles

2005 – 650 subsidized units available to families; 1,714 subsidized units or beds for singles

The City is beyond the situation where all should be concerned about the needs of the lower income population for housing and in a place where the lack of shelter within the financial reach of large numbers of Kelowna households will affect the economic health of the entire community. The working population unable to find housing that allows an acceptable quality of life, without experiencing hardship to afford other necessities, including food, clothing and health

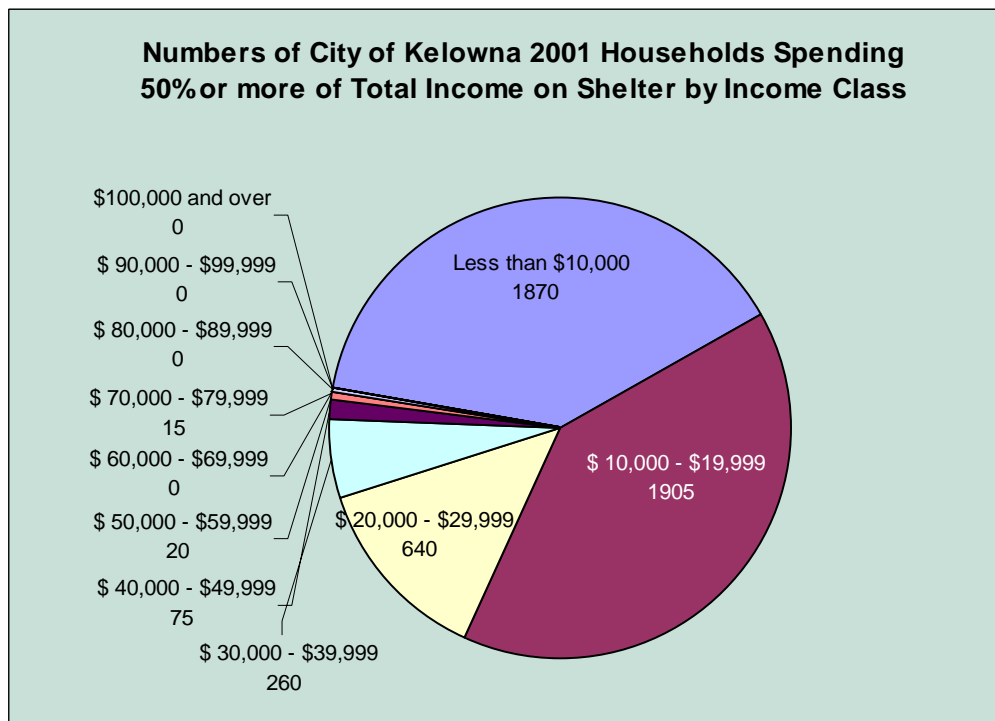
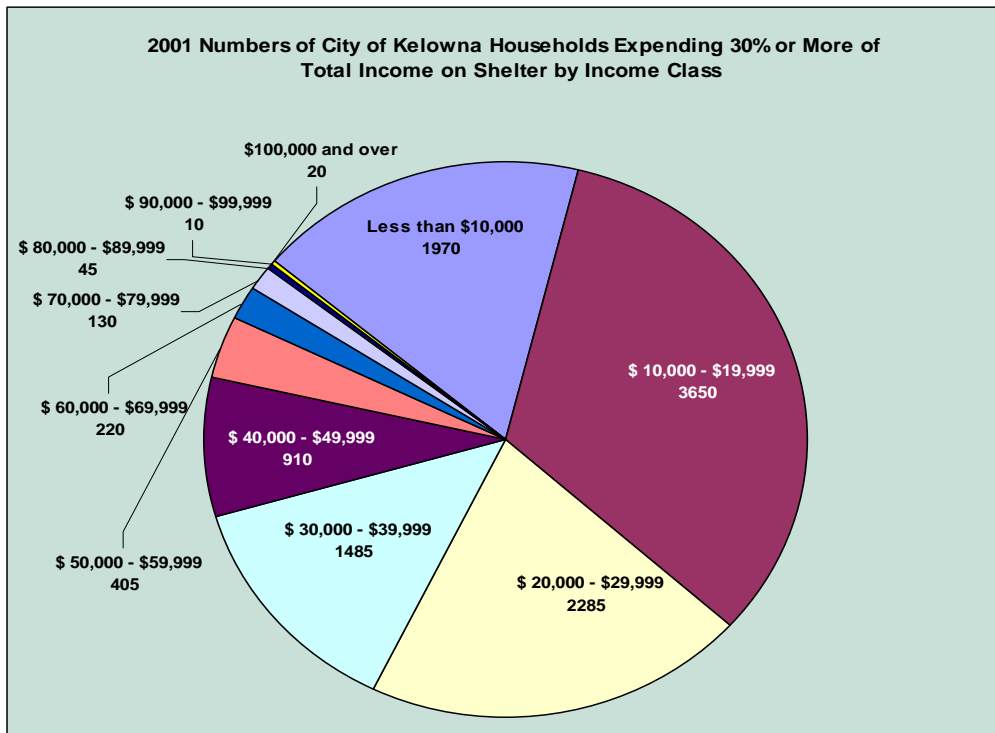
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<sup>5</sup>

<sup>6</sup> The 2005 figures will be available shortly.

care, will simply be unable to stay in Kelowna. We need these working individuals to support our tourism, construction, retail, health and service sector industries. If the city does not offer realistic housing opportunities for its labour force, the economic health of the entire community suffers. We will face ever-increasing needs for basic support services, like the food bank, and there will be labour shortages. These things are already happening. Construction is held up by the lack of available skilled labour and the food bank simply cannot keep up with the demand, led largely by families with children and working individuals.

We are not alone in this situation. Most Canadian cities are facing similar crisis situations around the need for affordable housing. Lobbying and action initiated by municipalities is happening on a national level. Appendix 3 to this report outlines some of the broader action on a national level.



## APPENDIX 2 – CITY OF KELOWNA ACTIONS TO ACHIEVE AFFORDABLE HOUSING

<b>Planning Initiative</b>	<b>Comments</b>	<b>Affordable Housing Results</b>
<b>Secondary Suites –</b> Allowed from the 1970s in the duplex type zone (RU6 today) 1994 – allowed carriage home suites 1998 – changes before & after, but “s” zone initiated in 1998	Carriage homes became an issue; Council did not want to allow suites without a rezoning in single detached zones. The “S” rezoning is 1/3 <sup>rd</sup> the cost of a conventional rezoning & there are no off site service charges – this may change.	Mortgage helper and investment, but not rented at affordable rents; Significant share of the rental market.
<b>Small lot zoning</b> 1980s Equivalent to RU3 zone today	Resulted in large houses on small lots in Glenmore / parking problems;	Sale prices may have been less than average new market housing but not affordable Was intended to produce smaller, affordable homes.
<b>Density Bonusing in return for Housing Agreements</b>	Housing agreements have largely been used for special needs (usually seniors) housing, but did not generate affordable units; definitions have since been changed so that special needs must also be affordable	5 units through a housing agreement actually met our requirements for ownership affordability in ‘05
<b>Housing Reserve Fund</b> 2000 <ul style="list-style-type: none"> <li>Original intent was to acquire land to lease back for development that included affordable housing.</li> <li>In ‘01 advertised for public donation to the fund: spent \$2,000 &amp; received \$2,006</li> <li>In ‘06 authorized annual budget allocation to the fund of \$100,000 moving to \$200,000 in 2 years</li> </ul>	Growth of fund has been slow; but has now surpassed \$500,000; GST rebate revenues & proceeds from the sale of 2490 Richter and 260 Franklyn Rd. went into the fund (see Using City-Owned Land)	No money has yet been spent from the fund on land or grants for affordable housing
<b>Development Cost Charges</b>	<ul style="list-style-type: none"> <li>Applied institutional rate for DCCs for supportive /congregate style housing (since 1999), primarily for seniors; carried this forward to include housing under BC Housing Independent Living Program (in 04), even though the structure of the buildings wasn’t consistent with the institutional rationale</li> <li>Brought in the Density Gradient approach to calculating DCCs in 04 in order to offer lower rates for higher density development that uses less services.</li> </ul>	<ul style="list-style-type: none"> <li>Fernbrae Manor (183 units) was the only seniors market housing that claimed to be affordable. Since 99, 123 units of subsidized supportive seniors housing were built</li> <li>Immediately following the introduction of the density gradient DCC approach, a shift in development to multi-family was seen; many new home sales in the housing market qualified under our definition of affordability, but were not held to that price level; we surpassed our 2020 goal in the OCP in terms of mix of multi vs. single unit development in 04 and 05.</li> </ul>



<b>Planning Initiative</b>	<b>Comments</b>	<b>Affordable Housing Results</b>
<b>Using City-Owned Land</b>	<ul style="list-style-type: none"> <li>• 2490 Richter went to 3 proposal calls but did not yield a project; revenue from sale of this property produced funds for the Housing Reserve (</li> <li>• 260 Franklyn Rd. property; did RFP in '05 for affordable housing, but did not receive acceptable offer; sold the land and part of the proceeds went to the Housing Reserve Fund</li> <li>• KSS site ; proposing that 10% of any housing be affordable</li> <li>• 30 unit housing project '06; will lease land at no cost</li> <li>• Gospel Mission; will lease land at no cost for relocation, including some housing</li> </ul>	<ul style="list-style-type: none"> <li>• Uptake in the private and non-profit sectors for partnering with the City to use leased land or buy land at less than market costs has been minimal. It seems to take more than the land component to achieve affordable housing. Government subsidies are also needed.</li> <li>• The 2 homelessness projects (30 unit apartments &amp; moving the Gospel Mission) will happen, if Council is cooperative, due to the fact that the Province is also at the table.</li> </ul>
<b>Grants from Housing Reserve Fund - Introduced in 2005</b>	<p>Some projects may qualify in 2006;</p> <ul style="list-style-type: none"> <li>• 30 unit apartment for the homeless;</li> <li>• rental building on Harvey \$5,000 / unit for subsidized non-profit rental housing; \$2,500 / unit for affordable rental (not subsidized)</li> </ul>	No grants yet awarded, but most will require prov/fed government subsidy
<b>Waiving DCCs for non-profit rental housing approved in 2005</b>	Council allocated \$60,000 in '06 to cover this; at \$5,000/unit for subsidized rental housing, a 15 unit project would deplete this fund	30 unit apartment building under PTF would qualify, but only half of the units will benefit from '06 budget

### APPENDIX 3: NATIONAL EFFORTS TOWARDS ACHIEVING AFFORDABLE HOUSING

“Until 1993, the federal government contributed to the construction of 25,000 new social housing units every year. It worked with the provinces, communities and housing providers to make sure families and individuals had access to safe, decent, affordable shelter. Since then, there has been occasional limited funding to help some communities develop housing. But without an ongoing, stable federal commitment, over 1.8 million Canadian households now lack adequate affordable shelter”. (Statement by the Canadian Housing & Renewal Association (CHRA) in preparation for the 2004 Federal election)

#### *More facts from CHRA:*

- *For 50 years following World War II, the federal government worked with provinces, municipalities and community groups to build 638,000 social housing units — that’s an asset worth \$40 billion.*
- *Prior to 1993, about 65,000 rental units were built every year — 40,000 by the private sector and 25,000 social housing units with the help of the federal government. Today the total figure is 18,000 per year, few of which are affordable.*
- *Over 1.8 million Canadian households today lack housing that is affordable and appropriate to their needs.*
- *Record numbers of people do not have a home. In many cities, the single largest group of homeless people are families with children.*
- *Since 2000, the federal government’s Supporting Communities Partnership Initiative (SCPI) has helped local communities meet their most urgent and pressing housing needs. The program shows how the federal government can directly help local communities solve local problems.*
- *In 2001, the provincial and territorial governments signed an agreement to match the federal government’s \$680-million funding commitment for social housing. So far, just 10,000 of the 40,000 intended units have been built because of jurisdictional conflicts or lack of provincial funding.*

Since 1993, BC & Quebec have been the only 2 Provinces that have provincial housing programs, operated with 50/50 federal and provincial dollars. Under the most recent housing agreement with BC and the Federal Government signed in 2001, most of the funding was targeted to seniors needing support services, and the remainder is going to housing the homeless. Similarly, any Federal investment in housing since 2000 has been largely targeted to the homeless. Low income families, most supported by employment income, non-seniors with disabilities, including single person, non-senior households are left with little or no assistance with accessing shelter that they can afford. The subsidized housing and programs we have enjoyed in the 1990s and into the last 6 years, have only addressed a fraction of the problem which continues to grow at an alarming rate. More action is needed on all levels.

The City has worked as part of the National Housing Policy Options Team since 2000 to continually lobby Federal, Provincial and Territorial governments to take action to address the need for housing for our low income populations. The recommendations and research conducted as part of this work are published and available on the Federation of Canadian Municipalities (FCM) web site. <http://www.fcm.ca/english/documents/ui.html>

## Appendix 4: Housing Policies from the City of Kelowna Official Community Plan

Policy In OCP	Origin	City / Community Planning Action	SPH Committee Role	Time Frame
8.1.1 <b>Financing Structure.</b> Regularly monitor financing structures (e.g. Development Cost Charge schedules, off-site upgrading requirements etc.) to ensure that multiple unit developments benefit from any cost advantages inherent in developing at higher densities;	OCP review 2001/2002	"s" rezoning for suites does not require off-site charges e.g.: Density Gradient – see next item DCC charges for congregate housing at institutional rate for congregate (supportive/boarding) housing. Policy amended to include projects funded by BC Housing Independent Living program. In '05, council approved waiving of DCCs for non-profit rental housing \$60,000 allocated to this from budget in '06	Understand & promote City's action. Make recommendations to City Council.. Recommended waiving DCCs for non-profit rental housing in 05	Introduced in 1998 & updated in 2004.
8.1.2 <b>Development Cost Charges.</b> Consider implementation of a density gradient approach to the calculation of DCC's that is sensitive to housing forms, servicing demands and long range planning techniques for reviewing development and forecasting growth. The density gradient would help to encourage increased densities and smaller residential units, while being more equitable more accurately reflecting the service demands of various types of development.	Housing Study 1999/2000	Supported work of Finance Department. Density Gradient is now the way in which residential charges are calculated.  This has not resulted in permanent affordable housing supply, but new multi housing has included units that sold at affordable prices.	Make recommendations to City Council.. DCC waiving for non-profit rentals recommended & approved by Council 2005	Approved as part of DCC By-law 9095 in Feb. 2004 Updates in 05-06
8.1.18. <b>Social Planning and Housing Committee.</b> Collaborate with the Social Planning and Housing Committee, which shall report to Council on matters dealing with rental, special needs and affordable housing; <i>(name of committee changed in 2002)</i>	Existing policy-revised in 1996 in Social Plan.	Administration for committee. Work with the group to achieve implementation of housing policies e.g. completion of Housing Study 1999/2000; secondary suites; standards of maintenance, housing reserve fund. Policy review in 2004-2006	Support staff, make recommendations to Council & work with community to keep policy up-to-date.	On-going.
8.1.4 <b>Partnerships for Affordable Housing.</b> Encourage the development of partnerships among community groups, non-profit organizations, the business community, professionals and all levels of government to provide affordable and special needs housing;	Existing policy from 1995 OCP.	Provide information to groups. Work with other agencies & committees;. e.g.: Homelessness Steering Committee; National Housing Policy Options Team NHPOT; Homelessness Network; Premier's Task Force (PTF) on Homelessness Mental Illness & Addictions 2004 forward	Membership on the Homelessness Steering Committee.. partnership with Interior Health & BC Housing (PTF)	As needed / on-going
8.1.5 <b>Discrimination.</b> Advocate to appropriate agencies to ensure that discriminatory policies do not result in housing being denied;	Social Plan 1996	Research conducted; Action not yet identified; City helps individuals with search for housing. CSD grant to CMHA	CSD grants/ as determined; Council recommendations	On-going

## Appendix 4: Housing Policies from the City of Kelowna Official Community Plan

Policy In OCP	Origin	City / Community Planning Action	SPH Committee Role	Time Frame
8.1.6 <b>Shared Accommodation.</b> Encourage government and/or non-profit agencies to develop and maintain a list of persons seeking shared accommodation to facilitate the search for affordable housing;	Social Plan 1996	Have worked with other agencies to encourage creation of a list (e.g. SHARE, Salvation Army, CMHA). / former Downtown Interagency Network.	CSD grant to CMHA	Periodic support for community efforts.
8.1.7 <b>Federal and Provincial Involvement.</b> Continue to encourage the Provincial and Federal governments to increase housing allocations to special needs housing;	1995 OCP	Working with NHPOT and Homelessness committees; Premier's Task Force on Homelessness, Mental Illness & Addictions; BC shelter Assistance motion through UBCM & letter to Minister 2006	Help to provide written submissions to senior government	SCPI & NHPOT On-going.
8.1.8 <b>Community Acceptance.</b> Seek to educate, raise awareness and increase community acceptance of low-income / special needs housing, including provision to address NIMBYism in planning reports that review proposals for affordable, special needs or rental housing;	Housing Study 1999/2000 with additional changes	Used NIMBY publications by the province, including stats, to support local housing proposals e.g. Desert Breeze. Community surveys conducted by planning staff. Neighbourhood satisfaction survey 02/03. NIMBY presentation at Housing Event May 2004; training for staff & committee members (06 and prior) Public consultation process refined with help of communications staff	Assist with community consultation processes.	On-going
8.1.9 <b>Housing Forums.</b> With the involvement of the Social Planning & Housing Committee and interested housing agencies, hold biannual public housing forums to educate and inform the community about housing needs and issues. A particular focus of these forums will be to counteract local negative reactions ("NIMBYism") to housing projects in the community;	Social Plan & Updated with Housing Study & OCP review	<ul style="list-style-type: none"> <li>- Social Plan workshop (housing tables) 1996</li> <li>- Secondary Suites Open Houses 1997</li> <li>- Standards of Maintenance Forum '98</li> <li>- Workshop for Housing Study 1999</li> <li>- Secondary suite events 2001</li> <li>- Housing bus tours 1998&amp; 2001</li> <li>- Home buying seminar – 2002</li> <li>- 2003 media blitz on affordable housing</li> <li>- Affordable Housing &amp; Homelessness event May 2004 /</li> <li>- assistance with KPTF housing event October 2004</li> <li>- Housing Forum with Partnerships theme in May of 2006</li> </ul>	Assist with housing forums.	Periodic – biennial

## Appendix 4: Housing Policies from the City of Kelowna Official Community Plan

Policy In OCP	Origin	City / Community Planning Action	SPH Committee Role	Time Frame
8.1.10 <b>Housing Research.</b> Encourage CMHC to include Kelowna within its housing research, in particular for owner-occupied housing, based on a Kelowna population that has or will soon exceed the 100,000 threshold;	Housing Study – 1999/2000	Communicate with CMHC staff. Provide answers to CMHC surveys on data / feedback on web site. CMHC on Housing Committee	Help facilitate information sharing- CMHC membership	On-going
8.1.11 <b>Housing Data.</b> Encourage BC Housing to make its housing data more readily available, either through its web site or by mail;	Housing Study – 1999/2000	Communicate with BC Housing staff on regular basis. Respond to request for input (e.g. questionnaire on web site). BC Housing staff on Social Planning & Housing Committee.	BC Housing membership	On-going
8.1.12 <b>Information Package.</b> Prepare an information package concerning the City's development approval process, as well as information on Provincial and Federal Government Housing Programs, such as the Residential Rehabilitation Assistance Program (RRAP), Homegrown Solutions, and BC Housing or Homes BC programs, to assist non-profit housing groups in preparing successful proposals.	1992 Strategic Plan – carried forward into Social Plan & updated	Information on current federal and provincial assistance programs is included in the Housing Resources Handbook. . Community Resources Handbook now available – planning processes detailed	Help refer people to this information.	Initial housing resource book completed April 2000. Updates annually. CRH published 2003
8.1.13 <b>Sector Plans.</b> Identify suitable locations for residential infill development in preparing future Sector Plans;	OCP Review	Infill uses can serve diverse needs in a neighbourhood; policies & zoning allow this	Participate in Sector Plan process when opportunity arises.	On-going
8.1.14 <b>Low Income Housing.</b> Review policies, procedures, and implementation of such policies and procedures for re-development to derive a procedure whereby low-income housing is not removed unless alternate housing is provided for the residents that are displaced. A specific example is a policy for demolition of motels that provide longer-term accommodation used by lower income people. A similar policy is in place to deal with the removal of mobile homes;	Social Plan 1996 - updated	Mobile home Council Policy # 229(early 90s) Motel Notice Council Policy #270 (1998)	Identify situations where this is needed.	Periodic / as needed
8.1.15 <b>Zoning Bylaw.</b> Continue to monitor the effectiveness of regulations, processes and fees in the Zoning Bylaw that affect housing and update the Zoning Bylaw to improve effectiveness whenever the need arises.	Updated from previous policy / Social Plan	Previous work on group homes, boarding homes, congregate housing, secondary suites, housing agreements, density bonusing, on-going updates (e.g. secondary suites)	Advise Council when change is desired to zoning for housing	As needed.

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<p>8.1.16 <b>Affordability Benchmarks.</b> Affordability benchmarks will be published annually in information bulletins, using accepted methodologies and data from Statistics Canada, BC Statistics and Canada Mortgage and Housing Corporation. They are based on the following criteria:</p> <p>Rental: Affordable rents will be the average rents for Kelowna from the annual Canada Mortgage and Housing Corporation (CMHC Rental Market Report);</p> <p>Owner: Ownership affordability is based on the income level at which a household would be capable of entering the ownership market. This is equivalent to the "starter home" price and is derived based on the purchase ability at the median income level for all two or more person households from the most recent Census, assuming 30 % of gross household income expenditure for shelter. The starter home price will be updated annually between Census years using the BC Consumer Price Index (CPI), be published annually by the City and be given for a non-strata-titled home, a strata-titled home and a mobile /manufactured home;</p>	<p>Housing Study 1999/2000 (Social Plan had a policy to define affordable housing)</p> <p>Policy has been consolidated to include former policy on starter homes.</p>	<p>Implemented by publishing the Housing Resources Handbook and annually updating this information</p> <p>Definitions incorporated in housing agreements in 2004</p>	<p>Understand the City's definitions of affordability and promote this to other sectors of the community.</p>	<p>Available since 2000 and on-going</p>

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<p>8.1.17 <b>Core Need:</b> Consider, based on data from Statistics Canada or Canada Mortgage and Housing Corporation (CMHC) or British Columbia Housing Management Corporation (BCMHC), households to be at core need for housing when they meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Qualify as at or below core need income threshold (CNIT) developed by CMHC and used by the British Columbia Housing Management Commission for Kelowna, and/or;</li> <li>• Household income falls at or below Low Income Cut-Off level defined by Statistics Canada for urban areas greater than 100,000 people, based on household size, and/or;</li> <li>• Household is receiving BC income assistance for Welfare to Work or Disability Benefits or qualifies for Targeted Rent Subsidy Programs (TRSP) operated by BC Housing, or</li> <li>• dwelling is built with senior government funding to be affordable;</li> </ul> <p>The City will publish the above information by available means, &amp; it will be current;</p>	Housing Study 1999/2000 see above	Implemented by publishing and annually updating the Housing Resources Handbook.	Understand the City's definitions of core need and promote this to other sectors of the community.	On-going
<p>8.1.18 <b>Housing Agreements.</b> Support the use of housing agreements to assist in creating affordable and special needs housing.</p>	Housing Study and OCP review.	Work to assist with any proposals that involve the use of housing agreements. Incorporated City's definitions of affordability in 2004. Find other models; agreements only used for special needs until '05, when 1 <sup>st</sup> affordable ownership housing secured by agreement (Wiens/ Ziprick rezoning)	Help to expand the City's ability to use housing agreements	Now into future

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8.1.19 <b>Housing Reserve Fund.</b> Continue to support the housing reserve fund, using available monies from: annual budget allocations, voluntary contributions from other agencies and the public, a portion of the proceeds of the sale of surplus municipally-owned land, land lease revenues, and a proportion of the sale of market units on City-owned lands;	Housing Study 1999-2000 updated to reflect existence of fund.	<ul style="list-style-type: none"> <li>➤ Advertise to encourage donations to fund (2002); yielded \$2,006 in donations;</li> <li>➤ Remaining funds from housing study account were transferred in 2002; less than \$5,000</li> <li>➤ By-law approved;</li> <li>➤ Use proceeds from sale of City-owned land at Richter &amp; Morrison &amp; 260 Franklyn Rd..</li> <li>➤ Funds in 2005 increased reserve to \$500,000</li> <li>➤ Annual budget allocation of \$100,000 in '06</li> </ul>	Help to update means of contribution to the housing reserve fund. (e.g.: annual budget allocations) GST revenue directed to fund in '04 '05 – annual budget allocation recommended to Council	2001 and future
8.1.20 <b>Use of Housing Opportunities Reserve Fund.</b> Use the housing opportunities reserve fund for the purpose of acquiring lands to be leased or purchased from the City by non- profit groups or developers to provide housing by means including public/private partnership agreements, subject to the criteria specified in the Housing Opportunities Reserve Fund Bylaw. The fund may also be used to provide grants to affordable or low income housing projects that are subsidized by the provincial or federal governments, or both, as set out in the Housing Opportunities Reserve Fund Bylaw.	Housing Study 1999/2000	<ul style="list-style-type: none"> <li>• Future projects will depend on size of reserve land acquisition was original intent..</li> <li>• Amended in 2004 to allow sale of land.</li> <li>• Amended in 2005 to allow grants</li> <li>• If '06 PTF project goes forward; will be eligible for \$5,000/unit grants – total \$150,000</li> <li>• Review use of fund on an as needed basis.</li> </ul>	Amended in 05 to provide grants on recommendation of Committee	On-going / future.
8.1.21 <b>Housing Quality.</b> Continue to address properties where dwellings are sub-standard using available bylaw and code enforcement processes.	Housing Study – 1999/2000	Past work with Standards of Maintenance / minimum heat bylaws taken to Council but not approved	Communicate issues. Held Standards of Maintenance Forum	As needed
8.1.23 <b>Implementation Indicators.</b> Assess, once 2001 census data becomes available, the degree to which residential development is fulfilling OCP objectives and consult the information derived during the next OCP review process;	Staff and OCP review process.	Coordination of community indicators with those identified by long range planning in the OCP. / Comparison made in Community Indicators Report no. 2 on the web site Update this policy	Provide assistance or expertise, if applicable.	When census results are received.



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<p>8.1.24 <b>Housing Affordability Indicators.</b> Assemble data, as housing affordability indicators, from the following sources:</p> <ul style="list-style-type: none"> <li>• BC Assessment Authority database on sales activity;</li> <li>• Core needs data from Statistics Canada, CMHC, BCMHC and BC Housing;</li> <li>• City of Kelowna development activity reports.</li> </ul> <p>This information will be distributed through the City web page, Social Planning and Housing Committee and/or Planning and Development Services brochures;</p>	Housing Study 1999/2000	Published and updated annually in the Housing Resources Handbook. Development activity published separately. On City web site.	Coordinate information with other sources.	Annual updates
<p>8.1.25 <b>Affordable and Special Needs Housing Deficiency.</b> Compare the Statistics Canada data on incidence of low-income households [based on low-income cut-offs (LICO)] against non-profit housing supplies to estimate housing deficiencies and publish this information on a regular basis;</p>	Housing Study 1999/2000	Updated in Housing Resources Handbook. Updated based on 2001 Census and present housing supply Used as reference in other community work i.e.: Homelessness Steering Committee; Poverty Task Force	Coordinate information with other sources	Annual updates
<p>8.1.26 <b>Vacancy Rates.</b> Regard the vacancy rates, calculated annually for rental housing by the Canada Mortgage and Housing Corporation, as an indicator of demand for rental housing, and publish this information;</p>	Housing Study 1999/2000	Housing Resources Handbook.	Coordinate information with other sources	Annual updates
<p>8.1.27 <b>Stratification.</b> Monitor the number of conversions of rental dwellings to stratified units to ensure that the supply of rental housing is not adversely affected.</p>	Housing Study 1999/2000	Monitor and report to Council if and when change in policy may be needed. Council Policy #148 – Strata Conversion... ; last revised in Sept '05		As needed
<p>8.1.28 <b>Processing Time.</b> Ensure that housing applications consistent with the Future Land Use specified on Map 19.1, as well as the OCP policies and Development Permit guidelines adopted by Bylaw 8600 are awarded processing time advantages over applications which are inconsistent.</p>	OCP Review	Consider referring to inclusion of affordable or core needs housing as an additional reason for processing time advantages for housing applications.		

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8.1.29 <b>Bonuses for Affordable and Special Needs Housing.</b> Grant density bonuses for the creation of affordable and special needs housing, as per the provisions of the Zoning By-law.	OCP Review;	Encourage use by developers and housing providers Review ways to make density bonuses more effective. Expand bonusing if needed.	Review of policy and zoning for bonusing.	1998 Zoning By-law enabled use of density bonuses
8.1.31 <b>Rezoning to Higher Densities.</b> Consider supporting an OCP amendment and rezoning application for residential densities greater than those provided for on the Generalized Future Land Use Map 19.1 in those cases where: <ul style="list-style-type: none"> <li>a portion of the proposed units are available for affordable, special needs or rental housing identified to be in short supply (guaranteed through a Housing Agreement); and</li> <li>appropriately designated sites can be proven to be functionally unsuitable for the proposed housing; and</li> <li>supporting infrastructure is sufficient to accommodate the proposed development (or the developer is prepared to upgrade the necessary infrastructure); and</li> <li>the proposed densities do not exceed the densities provided for on Map 19.1 by more than one increment (e.g. medium density multiple units might be entertained where low-density has been provided for, and low-density multiple units might be entertained where single/two unit residential densities have been provided for); and</li> <li>the project can be sensitively integrated into the surrounding neighbourhood, with no more than a one-storey height gain between the proposed development and the height permitted within land uses assigned to adjacent parcels (Where the property being proposed for redevelopment is large, consideration may be given to providing greater heights at the centre of the property provided that the new building is sensitively integrated with the surrounding neighbourhood); and</li> <li>approval of the project will not destabilize the surrounding neighbourhood or threaten viability of existing neighbourhood facilities (e.g. schools, commercial operations etc.).</li> </ul>	OCP Review	Determine ways that the requirement for provision of affordable housing under this policy can actually be implemented.	Advise Council on implementation of affordable housing requirement of this policy.	On going

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8.1.34 <b>Land Utilization within Single Detached Areas.</b> Work towards achieving more efficient use of land within developed single-detached neighbourhoods by encouraging rezoning, subdivision and building permit applications that would allow for smaller lot sizes, secondary suites, minor boarding facilities, minor group homes, duplexes etc. that are sensitively integrated into a neighbourhood;	Housing Study 1999/2000 & OCP Review	Have already facilitated through zoning. Ways to address NIMBY Neighbourhood satisfaction survey 2003 – report is on the City web page. Staff training on addressing NIMBY	Awareness / education Training to learn how to instruct techniques to address NIMBY '06	On-going
8.1.35 <b>Special Needs Facilities.</b> Encourage, in all neighbourhoods, residential facilities for people with special needs, as permitted under Zoning Bylaw regulations;	Housing Study 1999/2000 & OCP Review	Facilitated through zoning (e.g. care centres (day care children & adults), group homes, congregate housing)	Awareness / education	On-going
8.1.36 <b>Apartments and Townhouses.</b> Encourage development to contribute to the City's goal of, over the 2000 - 2020 timeframe, having 53% of new residential units be in the form of apartments, townhouses (and cluster housing), or other multiple unit buildings;	New Policy in 2004	Development cost charges are less for higher density and multi-unit housing Affordable housing and core need housing can only be reasonably provided in multi-unit type housing. Exceeded goal in '05 and '06	Awareness / education	On- going
8.1.37 <b>Ground-Oriented Housing.</b> Encourage the development of ground-oriented multiple unit housing as an affordable housing choice for the rental or ownership markets, including families with children, in those areas where Map 19.1 indicates necessary densities as being appropriate. Ground oriented housing is defined as housing where each dwelling unit has direct access at grade level for entry and to private open space;	Housing Study 1999/2000 & OCP Review This was included specifically, since ground-oriented housing appears particularly suited to the Kelowna market. Expands on existing policy regarding ground-oriented housing from Social Plan.	Possible design guidelines in cooperation with other planning staff Open space regulations for secondary suites and multi housing.	Awareness / education	On-going

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8.1.38 <b>Family Housing.</b> Encourage family oriented townhouses or apartment housing, especially within Urban Centre areas;	Planning staff & OCP review	Supported by findings of Housing Study 1999/2000		On-going / future
8.1.39 <b>Housing Variety.</b> Encourage the development of a variety of housing forms to ensure that the housing supply meets the needs of Kelowna's diverse population and satisfies a range of life cycle and lifestyle choices;	Updated from Social Plan housing policies Housing Study 1999/2000	Supported by development review processes		On-going
8.1.40 <b>Affordable and Special Needs Housing.</b> Encourage the private sector to provide housing that is innovative and affordable and that is targeted to groups identified in the Housing Study, a Housing Reserve Fund Bylaw, or in a list published by the City;	Housing Study 1999/2000	Help to provide information. Housing Resources Handbook. Establish & administer housing reserve fund. Do we need to revise?	Facilitate partnerships.	Future & on-going
8.1.41 <b>Religious Assembly Oriented Housing.</b> Encourage compatible multiple unit housing oriented to religious assembly uses in areas designated as Multiple Unit Residential on the Generalized Future Land Use Map 19.1;	OCP Review	Where appropriate, work with church groups and housing funders to ensure that special needs or low-income housing supplied by church organizations addresses community needs.		
8.1.42 <b>Religious Assembly Associated Housing.</b> Consider on-site multiple unit housing associated with existing religious assembly uses where the land use is supported by the availability of full urban services such as appropriate access, sanitary sewer, transit, water and other community amenities, and that provides the opportunity for sensitive integration of compatible building form and inclusion of residents into the neighbourhood environment;	OCP Review	Where appropriate, work with church groups and housing funders to ensure that special needs or low-income housing supplied by church organizations addresses community needs.		
8.1.43 <b>Integration.</b> Encourage the sensitive integration of different housing forms in the various sectors of the City, in support of neighbourhood diversity and healthy communities;	Carried forward & updated from existing policy	Information to deal with NIMBYism. Neighbourhood Satisfaction Survey 2003 – findings on web page		On-going
8.1.44 <b>Mixed Use.</b> Encourage commercial projects within Urban Centres to include a residential component wherever appropriate (see Chapter 6 for location of Urban Centres);	OCP review	Find ways to incorporate affordability with mixed use developments; e.g. density bonusing in commercial zones for residential uses.	Assist with review of zoning and density bonusing	

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8.1.46 <b>Secondary Suites.</b> Encourage, under the conditions stipulated in the Zoning Bylaw, the creation of secondary suites.	Social Plan & updated with new zoning & with OCP review.	Revised zoning and procedures for secondary suites 1997 and 1998. Continue to monitor and improve processes. Workshop in 2003.	Participate in information events on secondary suites	On-going
8.1.47 <b>Manufactured Homes.</b> Continue to support manufactured home parks as viable, affordable housing options for the City where consistent with growth management objectives and policies;	OCP	Ensure affordability of manufactured homes is consistent with City definitions of affordability (8.1.36)		On going
8.1.48 <b>Housing for Lower Income Singles.</b> Actively encourage housing for lower income singles, in response to the current shortage of housing for this particular group identified in 1999, utilizing options identified in the Housing Study.	Housing Study 1999/2000	Former work with Lower Income Singles Task Force. Work with Steering Committee; National Housing Policy Options Team (2000 to present); Premiers Task Force (2004/05) Information in Housing Resources Handbook. Homelessness – Premier's Task Force projects. Housing reserve fund	Help coordinate with work of Homelessness Steering Committee and other groups	On-going & future